

**The Chief Executive, Director General of Treasury and
Exchequer and Director General of Customer and Local
Services' response to Public Accounts Committee Review:
Spend Local Scheme**

November 2021

Glossary of Terms

Chief Executive, Treasurer and CLS Response to [PAC Review: Spend Local Scheme](#) - Executive Response to PAC by 19th November 2021 please.

Summary of response:

The Chief Executive, Treasurer and Director general of CLS welcome the PAC's report and are pleased to be able to accept three of the four recommendations made.

Action Plan

Recommendations	Action	Target date	Responsible Officer
<p>RECOMMENDATION 1: A future scheme should consider the use of data-gathering mechanisms such as a survey in order to improve understanding of Islanders response to and use of the Spend Local Cards, including their precise use of these cards.</p>	<p>Consideration was given to the use of surveys to support the evaluation of the Scheme and, in particular, to determine the extent to which spending was additional. On the basis of expert input from the Economics Unit and Statistics Jersey, it was determined that the methodological challenges surrounding the generation of reliable data meant that surveys would not be a practical approach for the evaluation of the Spend Local Card Scheme in 2020.</p> <p>Nevertheless, it is acknowledged that well-designed and resourced surveys can have the potential to provide further insight into the effectiveness of schemes like the Spend Local Card Scheme. Accordingly, consideration will be given to the use to surveys as part of the evaluation of similar interventions in the future.</p>	<p>Ad-hoc for future initiatives</p>	<p>Dan Houseago, Group Director Economy & Phil Ashley, Head of Investment Appraisal</p>
<p>RECOMMENDATION 2: The Government of Jersey should undertake further work to understand the behavioural changes in Islanders using the Spend Local Cards to improve</p>	<p>Reject</p>	<p>N/A</p>	

development of future High Street Strategies.			
<p>RECOMMENDATION 3: The Government of Jersey should investigate ways to target sectors most affected by the downturn, whilst still supporting household incomes and other businesses.</p>	<p>The Government Plan 2021-24 established an Economic Recovery Allocation and a further £20 million is included in the Government Plan 2022-25 for spending in 2022 and 2023.</p> <p>Since the Spend Local Scheme ended, the Government has introduced the Visitor Accommodation Support Scheme, Visitor Events and Attractions Scheme, and Fixed Cost Support Scheme, each of which provided substantial additional support to the sectors most impacted by the pandemic. These Schemes have been extended until March 2022 and, since the beginning of 2021, have been funded from the Economic Recovery Allocation.</p> <p>The Government has also extended the Business Disruption Loan Guarantee Scheme until 31 December 2021 and has agreed further deferrals of Social Security Contributions and GST for Q4 2021 and Q1 2022 for the most affected sectors.</p> <p>The remaining Economic Recovery funding will be utilised to support further initiatives in 2022 and 2023 that will aim to support household incomes and a wider range of businesses that have been impacted by Covid-19.</p>	31 December 2023	Dan Houseago, Group Director Economy
<p>RECOMMENDATION 4: The Government of Jersey should monitor the use of schemes such as Northern Ireland's High Street £100 Voucher Scheme, to further assess their economic benefits, as a means to consider additional policy innovations to</p>	<p>Officials from the Government of Jersey are in contact with counterparts in Northern Ireland and briefed Northern Irish officials on Jersey's Scheme. Officials will continue to maintain close engagement to understand the extent to which the Scheme in Northern Ireland might hold insights for future initiatives to support the Island's economic recovery.</p>	31 December 2022	Greg Boyd, Senior Economist

drive the Island's economy and improve the finances of Islanders, particularly those on lower incomes and hardest-hit industries.			
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Recommendations not accepted

	Recommendation	Reason for rejection
	<p>RECOMMENDATION 2: The Government of Jersey should undertake further work to understand the behavioural changes in Islanders using the Spend Local Cards to improve development of future High Street Strategies.</p>	<p>As the panel has pointed out, the theoretical underpinning for the Spend Local Cards was partially founded on principles from behavioural economic theory that indicate people treat money received as gifts in a different way to conventional changes in their personal income. This implies that people may be more likely to spend money provided via the Spend Local Cards on additional purchases.</p> <p>The evaluation of the Spend Local Scheme concluded that it presents a potentially effective tool for responding to future economic downturns or other circumstances where aggregate demand in the economy is temporarily suppressed. The Scheme's use as a cyclical policy intervention has the potential to have the secondary benefit of helping Islanders to rediscover the High Street, which could lead to greater use of local businesses after it has ended. However, it is not considered a policy tool that has significant potential to deliver on-going benefits or generally support growth as part of high street development strategies.</p> <p>Equally, the central principle that individuals spend so-called 'gift money' differently to their typical household income limits the extent to which it is possible to draw insights from usage data that would be capable of reliably informing longer-term strategic policy development.</p>